



General Assembly

**Substitute Bill No. 503**

February Session, 2006

\* SB00503GL 031406 \*

**AN ACT CONCERNING GIFT CERTIFICATES, GIFT CARDS AND  
BUSINESS CLOSING-OUT SALES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 21-35b of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2006*):

3 (a) No person shall advertise, offer for sale or sell a stock of goods,  
4 wares or merchandise under the description of closing-out sale unless  
5 he shall have obtained a license from the Commissioner of Consumer  
6 Protection authorizing the conducting of such sale for each location at  
7 which such sale is to be conducted.

8 (b) Each person desiring to conduct a closing-out sale shall deposit  
9 with the Commissioner of Consumer Protection the sum of five  
10 hundred dollars or a dollar amount equal to one per cent of the  
11 wholesale cost of the inventory filed pursuant to subsection (c) of this  
12 section whichever is greater; provided that no such deposit shall  
13 exceed five thousand dollars. Upon application in the sum to be  
14 prescribed by said commissioner and upon deposit to said  
15 commissioner of a further sum of one hundred dollars as a state license  
16 fee, said commissioner shall issue to the applicant a "closing-out sale  
17 license", authorizing him to advertise and conduct a sale consistent  
18 with that requested in the application.

19 (c) Each person applying for a "closing-out sale license" shall make  
20 such application therefor in writing and under oath stating all the facts  
21 relating to the reasons and character of such sale, including the  
22 opening and terminating dates of the proposed sale, a complete  
23 inventory of the goods, wares and merchandise actually on hand in the  
24 place where such sale is to be conducted in the manner prescribed by  
25 the commissioner, and all details necessary to locate exactly and  
26 identify fully the goods, wares or merchandise to be sold, and shall  
27 disclose the names and residences of owner or owners or partners in  
28 whose interest the sale is to be conducted. No license shall be issued  
29 unless the application is submitted to the commissioner at least five  
30 days prior to the requested commencement date of the closing-out  
31 sale. Any applicant who uses the services of a promoter as defined in  
32 section 21-35a for a closing-out sale shall include a signed and dated  
33 copy of the agreement between such applicant and such promoter as  
34 part of the application. The commissioner may, by regulation, request  
35 such other information to be submitted by the applicant as he deems  
36 necessary.

37 (d) Each person holding a closing-out sale license issued under this  
38 section shall file with the Commissioner of Consumer Protection a  
39 monthly report, commencing one month from the opening date of the  
40 sale, enumerating all goods, wares or merchandise sold, transferred or  
41 otherwise disposed of by the licensee or his agents, servants or  
42 employees during that month pursuant to the closing-out sale. Said  
43 commissioner shall prescribe the form for such reporting.

44 (e) All documentation concerning the goods, wares and  
45 merchandise to be included in such closing-out sale, including but not  
46 limited to purchase orders and delivery statements, shall be made  
47 available by the licensee for inspection by an authorized representative  
48 of the commissioner during regular business hours.

49 (f) Each person holding a closing-out sale license shall (1) include  
50 the license number and a notice that any gift card or gift certificate, as  
51 defined in section 3-56a, issued by such person or by the business for

52 which such person has applied for such license, may be redeemed  
 53 prior to the termination date of such license in any advertisement,  
 54 together with clear and conspicuous disclosure of the termination date  
 55 of such closing-out sale license, and (2) post such license in a  
 56 conspicuous location at the point of sale.

57 (g) Each person holding a closing-out sale license shall honor a gift  
 58 card or gift certificate, as defined in section 3-56a, issued by such  
 59 person or by the business for which such person has applied for such  
 60 license. The person or business shall allow the holder of the gift card or  
 61 gift certificate to redeem it for either consumer goods or for the cash  
 62 value of the gift card or gift certificate.

63 (h) No person shall advertise, offer for sale or sell a gift card or gift  
 64 certificate after such person has applied for a closing-out sale license  
 65 pursuant to this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2006	21-35b

**GL**      *Joint Favorable Subst.*